

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
)  
W. R. GRACE & CO., et al.,<sup>1</sup> ) Case No. 01-01139 (JKF)  
) (Jointly Administered)  
)  
Debtors. )

Objection Deadline: November 18, 2003 at 4:00 p.m.  
Hearing Date: TBD only if necessary

**SUMMARY OF APPLICATION OF REED SMITH LLP  
FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT OF  
EXPENSES AS SPECIAL ASBESTOS PRODUCT LIABILITY DEFENSE  
COUNSEL TO DEBTORS FOR THE TWENTY-SEVENTH MONTHLY INTERIM  
PERIOD FROM SEPTEMBER 1, 2003 THROUGH SEPTEMBER 30, 2003**

Name of Applicant: Reed Smith LLP

Authorized to Provide Professional Services to: W. R. Grace & Co., et al., Debtors and  
Debtors-in-Possession

Date of Retention: July 19, 2001,  
effective as of April 2, 2001

Period for which compensation and  
reimbursement is sought: September 1, 2003 through September 30, 2003

Amount of Fees and Expenses sought as  
actual, reasonable, and necessary: \$38,713.88

This an: X monthly \_\_ interim \_\_ final application.

Prior Applications filed: Yes.

<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

| Date Filed | Period Covered           | Requested Fees | Requested Expenses | Status of Fees                  | Status of Expenses              |
|------------|--------------------------|----------------|--------------------|---------------------------------|---------------------------------|
| 8/28/01    | 4/2/01 through 7/31/01   | \$40,583.00    | \$356.92           | No objections served on counsel | No objections served on counsel |
| 9/27/01    | 8/1/01 through 8/31/01   | \$90,113.00    | \$4,048.11         | No objections served on counsel | No objections served on counsel |
| 10/26/01   | 9/1/01 through 9/30/01   | \$155,804.00   | \$6,971.66         | No objections served on counsel | No objections served on counsel |
| 11/27/01   | 10/1/01 through 10/31/01 | \$229,036.50   | \$10,314.97        | No objections served on counsel | No objections served on counsel |
| 12/26/01   | 11/1/01 through 11/30/01 | \$216,703.50   | \$22,667.19        | No objections served on counsel | No objections served on counsel |
| 1/30/02    | 12/1/01 through 12/31/01 | \$152,288.00   | \$43,025.11        | No objections served on counsel | No objections served on counsel |
| 3/1/02     | 1/1/02 through 1/31/02   | \$152,389.50   | \$45,525.87        | No objections served on counsel | No objections served on counsel |
| 3/28/02    | 2/1/02 through 2/28/02   | \$115,694.50   | \$39,388.59        | No objections served on counsel | No objections served on counsel |
| 5/2/02     | 3/1/02 through 3/31/02   | \$95,617.50    | \$49,224.63        | No objections served on counsel | No objections served on counsel |
| 5/28/02    | 4/1/02 through 4/30/02   | \$125,169.50   | \$44,498.12        | No objections served on counsel | No objections served on counsel |
| 6/28/02    | 5/1/02 through 5/31/02   | \$186,811.50   | \$88,641.73        | No objections served on counsel | No objections served on counsel |
| 8/5/02     | 6/1/02 through 6/30/02   | \$167,414.75   | \$26,462.86        | No objections served on counsel | No objections served on counsel |
| 9/9/02     | 7/1/02 through 7/31/02   | \$121,203.75   | \$7,897.17         | No objections served on counsel | No objections served on counsel |
| 9/30/02    | 8/1/02 through 8/31/02   | \$183,876.75   | \$18,631.51        | No objections served on counsel | No objections served on counsel |

| Date Filed | Period Covered           | Requested Fees | Requested Expenses | Status of Fees                  | Status of Expenses              |
|------------|--------------------------|----------------|--------------------|---------------------------------|---------------------------------|
| 10/31/02   | 9/1/02 through 9/30/02   | \$205,975.00   | \$12,810.65        | No objections served on counsel | No objections served on counsel |
| 11/27/02   | 10/1/02 through 10/31/02 | \$172,838.75   | \$34,384.69        | No objections served on counsel | No objections served on counsel |
| 12/30/02   | 11/1/02 through 11/30/02 | \$115,576.00   | \$12,630.85        | No objections served on counsel | No objections served on counsel |
| 1/30/03    | 12/1/02 through 12/31/02 | \$36,744.50    | \$16,310.05        | No objections served on counsel | No objections served on counsel |
| 3/6/03     | 1/1/03 through 1/31/03   | \$123,884.00   | \$3,760.28         | No objections served on counsel | No objections served on counsel |
| 4/2/03     | 2/1/03 through 2/28/03   | \$233,867.50   | \$21,251.46        | No objections served on counsel | No objections served on counsel |
| 5/7/03     | 3/1/03 through 3/31/03   | \$124,350.00   | \$30,380.42        | No objections served on counsel | No objections served on counsel |
| 6/4/03     | 4/1/03 through 4/30/03   | \$223,770.50   | \$19,411.28        | No objections served on counsel | No objections served on counsel |
| 7/1/03     | 5/1/03 through 5/31/03   | \$190,838.00   | \$22,397.08        | No objections served on counsel | No objections served on counsel |
| 7/31/03    | 6/1/03 through 6/30/03   | \$165,837.25   | \$18,778.12        | No objections served on counsel | No objections served on counsel |
| 8/29/03    | 7/1/03 through 7/31/03   | \$202,033.50   | \$13,132.57        | No objections served on counsel | No objections served on counsel |
| 10/2/03    | 8/1/03 through 8/31/03   | \$155,275.50   | \$5,526.19         | No objections served on counsel | No objections served on counsel |

As indicated above, this is the twenty-seventh application for monthly interim compensation of services filed with the Bankruptcy Court in the Chapter 11 Cases.

The total time expended for the preparation of this application is approximately 15 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$4,500.00.

The Reed Smith attorneys who rendered professional services in these cases during the Fee Period are:

| Name of Professional Person | Position with the applicant | Number of years as an attorney | Department | Hourly billing rate | Total billed hours | Total compensation |
|-----------------------------|-----------------------------|--------------------------------|------------|---------------------|--------------------|--------------------|
| James J. Restivo, Jr.       | Partner                     | 32 Years                       | Litigation | \$475.00            | 28.80              | \$13,680.00        |
| Paul M. Singer              | Partner                     | 35 Years                       | Bankruptcy | \$475.00            | 1.30               | \$617.50           |
| Lawrence E. Flatley         | Partner                     | 27 Years                       | Litigation | \$440.00            | 6.00               | \$2,640.00         |
| James C. Martin             | Partner                     | 25 Years                       | Litigation | \$525.00            | 1.70               | \$892.50           |
| Douglas E. Cameron          | Partner                     | 18 Years                       | Litigation | \$430.00            | 14.20              | \$6,106.00         |
| James W. Bentz              | Partner                     | 14 Years                       | Litigation | \$335.00            | 6.60               | \$2,211.00         |
| Mary L. Perry               | Of Counsel                  | 12 Years                       | Litigation | \$350.00            | .20                | \$70.00            |
| Richard A. Keuler           | Associate                   | 3 Years                        | Litigation | \$250.00            | 1.00               | \$250.00           |
| Andrew J. Muha              | Associate                   | 2 Years                        | Litigation | \$200.00            | 8.80               | \$1,760.00         |
| Jayne L. Butcher            | Associate                   | 2 Years                        | Litigation | \$200.00            | 5.20               | \$1,040.00         |

The paraprofessionals who rendered professional service in these cases during the Fee Period are:

| Name of Professional Person | Position with the applicant | Number of years in position | Department | Hourly billing rate | Total billed hours | Total compensation |
|-----------------------------|-----------------------------|-----------------------------|------------|---------------------|--------------------|--------------------|
| M. Susan Haines Rossi       | Paralegal                   | 30 Years                    | Litigation | \$150.00            | .30                | \$45.00            |
| Maureen L. Atkinson         | Paralegal                   | 26 Years                    | Litigation | \$125.00            | 23.30              | \$2,912.50         |
| John B. Lord                | Paralegal                   | 10Years                     | Litigation | \$145.00            | 4.50               | \$652.50           |

Total Fees: \$32,877.00

**COMPENSATION BY PROJECT CATEGORY**

| <b>Project Category</b>              | <b>Hours</b>  | <b>Amount</b>      |
|--------------------------------------|---------------|--------------------|
| Litigation and Litigation Counseling | 16.80         | \$6,192.00         |
| ZAI Science Trial                    | 71.10         | \$23,673.50        |
| Fee Applications                     | 12.20         | \$2,585.50         |
| Hearings                             | 1.20          | \$426.00           |
| <b>Total:</b>                        | <b>101.30</b> | <b>\$32,877.00</b> |

**EXPENSE SUMMARY**

| <b>Description</b>  | <b>Litigation and Litigation Consulting</b> | <b>ZAI Science Trial</b> |
|---|---|--------------------------|
| Telephone Expense   | \$ .51                                      | \$10.60                  |
| Duplicating/Printing  | \$115.70                                    | \$343.35                 |
| Outside Duplicating   | \$1,631.78                                  | \$2,488.43               |
| Postage Expense   | \$7.69                                      | \$1.23                   |
| Courier Service – Outside   | ----  | \$102.56                 |
| Express Mail  | \$12.78                                     | ----                     |
| Binding Charge  | \$15.00                                     | ----                     |
| Color Printing  | ----  | \$83.16                  |
| Documentation Charge  | \$21.91                                     | ----                     |
| Transportation  | ----  | \$18.73                  |
| Air Travel Expense  | ----  | \$779.50                 |
| Taxi Expense  | ----  | \$36.00                  |
| Mileage Expense   | ----  | \$16.00                  |
| Meal Expense  | ----  | \$6.00                   |
| General Expense (Tabs and binders for materials provided to court and ZAI science trial mediator) | ----  | \$145.95                 |
| <b>SUBTOTAL</b>   | <b>\$1,805.37</b>                           | <b>\$4,031.51</b>        |
| <b>TOTAL</b>  |   | <b>\$5,836.88</b>        |

Dated: October 29, 2003  
Wilmington, Delaware

REED SMITH LLP

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